



CITY OF NEWTON

Finance Department

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July 23, 2019

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W Jones Street
Raleigh, NC 27601

AND

Fiscal Research Division
NC General Assembly
Legislative Office Building
300 N Salisbury Street, Suite 619
Raleigh, NC 27603-5925

RE: Notice to Joint Legislative Committee on Local Government on Proposed Local Government
Financing Provided Pursuant to N.C.G.S Section 120-157.2

Dear Legislative Member:

This letter is to notify you that the City of Newton (the "City") intends to request approval of installment purchase financing in an amount not to exceed \$1,457,300.

The purpose of the financing is for 1) Phase 2 of the Downtown Newton Streetscape Project which includes replacement of infrastructure (streets, sidewalks, water and sewer lines, storm drainage, and moving electric distribution underground) to be financed at a cost of \$757,300 to continue the revitalization of the City's historic downtown; 2) Valley Drive water rehabilitation infrastructure project costing \$700,000 which will consist of replacing approximately 1,280 of water main and 280 feet of sewer main at the 800 block of Valley Drive and the 800 block of Hamilton Street.

The City intends to obtain installment purchase financing for Phase 2 of the Downtown Streetscape Project over a term of 20 years and the Valley Drive water rehabilitation infrastructure improvement project over a term of 15 years. The financing will be secured by each respective asset.

Loan repayments will be made from operating fund revenues and reductions in debt service payments for loans expiring. The City has implemented a 5% Water and a 5% Wastewater rate increase effective July 1, 2019 for the Water/Wastewater Fund.

The City expects that the North Carolina Local Government Commission will consider the approval of the financing at its meeting scheduled for October 1, 2019.